



## 2014-15 Differentiated Pay Plan Submission Template

In June 2013, the State Board of Education passed a revised set of guidelines pursuant to Tenn. Code Ann. §49-3-306(h), which requires districts to create and implement differentiated pay plans. The intent of the differentiated pay plans is to give local control to districts in regard to salary schedule, and to create another lever for districts to attract and retain teachers based on a flexible set of potential criteria. A complete copy of the policy can be found [here](#).

### Structure of this Document

The document includes two required sections where districts will describe their proposed 2014-15 differentiated pay plans and salary schedules. An optional section is also included on stakeholder engagement and eligibility. Finally, districts that choose to propose an [alternative salary schedule](#) as their differentiated pay plan, or part of their plan, will need to complete a short [addendum](#). A list of the common differentiated pay terms used throughout this document can be found in [Appendix A](#).

### Timeline

The department has created a flexible timeline for differentiated pay plan submission to better meet the various deadlines of each district's local school board and budget processes. The table below outlines this timeline:

General Differentiated Pay Plan Submission Timeline	
Prior to submission	Local school boards are informed of and/or approve differentiated pay plans that will be submitted to TDOE
Jan. 2, 2014	TDOE begins accepting differentiated pay plan submissions
Ongoing	Districts submit differentiated pay plans to TDOE
Three weeks after date of submission	TDOE communicates approval decision to school districts
Following TDOE approval notification but no later than June 30, 2014	Local school boards approve final differentiated pay plans and any associated budget items

For those districts that choose to implement an [alternative salary schedule](#) as their differentiated pay plan (see page 5 for more detailed information on this option) the following timeline will be used in order to meet the necessary State Board of Education (SBE) deadlines.

<b>Alternative Salary Schedule Submission Timeline</b>	
Prior to submission	Local school boards are informed of the alternative salary schedule that will be submitted to TDOE
Jan. 2, 2014	TDOE begins accepting differentiated pay plan submissions
Jan. 31, 2014	Districts submit alternative salary schedules to TDOE
By Feb. 21, 2014	TDOE communicates approval decision of the alternative salary schedule to school districts
By March 8, 2014	Local school boards approve the alternative salary schedule
March 8, 2014	TDOE submits alternative salary schedule documents to the SBE
April 18, 2014	SBE Meeting

All differentiated pay plans and alternative salary schedules should be submitted to [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov). The department also plans to post the final differentiated pay plans on its website.

Note that while the differentiated pay plan must be implemented in the 2014-15 school year, the first payouts from those plans could occur, particularly for those plans which include performance related criteria, at the completion of the 2014-15 school year when all relevant student achievement data is available. Following the 2014-15 school year, the department will collect evidence of implementation, including information regarding the number of awards that were paid out.

Contact Laura Encalade at [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov) or (615) 253-2119 for additional questions or guidance on creating your differentiated pay plan or on the submission and approval processes.

## I. Description of Differentiated Elements (Required Section)

Directions: For each element of the district's differentiated pay plan, use the table below to provide a description of how the district will differentiate pay. The plan must include **at least one** of the elements listed below in the left-hand column, in addition to education and experience.

Many plans may include a combination of several elements; therefore, please add rows or repeat differentiated elements as needed. For example, the plan may include two different types of additional instructional roles. Also, please feel free to delete from the table or leave blank any differentiated elements that will not be used in your plan.

[Appendix B](#) of this document contains an example of each type of differentiated element. Please review that example prior to completing the table below.

Differentiated Element	Description	Compensation Type and Size	Reach	Estimated Cost	Estimated Salary Expenditures
	<p><i>Describe how the district will differentiate for this element.</i></p> <p><i>Include the criteria for receiving the award.</i></p>	<p><i>Will the compensation be given as a bonus or a base pay increase?</i></p> <p><i>How much will qualifying teachers receive?</i></p>	<p><i>Eligibility: How many teachers are eligible for this type of compensation?</i></p> <p><i>Forecasted participation: How many teachers do you estimate will receive the award?</i></p>	<p><i>How much does the district estimate it will pay out for this differentiated pay element?</i></p>	<p><i>What percentage of salary expenditures (excluding benefit costs) does this element cover?</i></p>
<b>Hard-to-Staff (School, Subject, or Placement)</b>	<p>Hiring Incentives for Hard-to-Fill Positions in the areas of <b>Physics, Chemistry, and Math</b>.</p> <p>The teacher must hold a valid (Apprentice, Professional or Out of State) Tennessee teaching license with 7-12 endorsement in that subject area.</p> <p>The teacher must meet the State's requirement for Highly</p>	<p>A one-time signing bonus of \$3,000 (\$1,500 at the beginning of each semester) will be offered these teachers.</p>	<p>Any teacher who is going into a Math, Physics or Chemistry position who also meets the criteria is eligible for the bonus.</p> <p>We project that 25 to 30 new or transferring teachers will become eligible for this program each year. (An average of 27 teachers is being used for cost projections.)</p>	\$81,000	0.04% of certified salary expenditures

	<p>Qualified.</p> <p>The teacher must be either new to Rutherford County Schools or a teacher in the Rutherford County school system who is not teaching in a hard-to-staff area.</p> <p>The teacher must request and be recommended for a transfer to a vacant position in the hard-to-staff subject area if a current teacher</p>		The school board will designate which subject areas will be classified as hard-to-staff.		
<b>Performance</b>	<p>Teachers with Level 3, 4, or 5 scores on the TEAM Effectiveness composite score will advance to the next effectiveness step on the salary schedule.</p> <p>Conversely, teachers with Level 1 and Level 2 scores on the TEAM Effectiveness composite score will not advance to the next effectiveness step.</p> <p>In the event the legislature restricts the use of TVAAS teacher effect scores or TEAM scores or if there is a significant deviation in teacher effect scores associated with the initial PARCC assessment, the system reserves the right to</p>	<p>The annual increases built into our draft salary schedule through effectiveness step 11 range from \$90 at the lowest to \$2,500 for step 6.</p> <p>For a teacher with a BS the average step increase is \$636 per year through step 21; for a teacher with an MA it is \$702.</p>	Right now, 97 to 98% of our teaching staff has TEAM Effectiveness composite scores of 3, 4, or 5.	<p>Savings \$40,000 from Level 1 and 2 teachers.</p> <p>Rutherford County Schools will be paying no higher costs for this part of our compensation plan than we already plan to pay. Our salary schedule already has built-in experience steps that will become effectiveness steps.</p>	-0.02% of certified salary expenditures

	modify this section of the differentiated pay plan.				
<b>Additional Instructional Roles or Responsibilities</b>	<p>For 2014/15 Response to Intervention<sup>2</sup> Coaches will be placed in our elementary and middle schools. These teachers will lead the school-based RTI<sup>2</sup> team . They will use data to diagnose, prescribe, and monitor interventions programs, support classroom teachers, mentor inexperienced teachers. Job description attached.</p> <p>Other pay for roles and responsibilities may be added later.</p>	<p>Level 1 RTI<sup>2</sup> Coaches in the schools will receive a flat \$2,000 supplement and work 210 day contracts. Level 2 RTI<sup>2</sup> Coaches will receive a flat \$4,000 supplement and work 230 day contracts.</p>	<p>In the first year up to 41 teachers will be in one of these roles.</p>	<p>10 to 20 of these positions will be new positions, \$412,500 to \$825,000.</p> <p>Existing positions will be re-purposed to fill the balance.</p> <p>The supplements will total about \$82,000.</p>	<p>0.45% of certified salary expenditures</p>
<b>Education</b>	<p>Rutherford County's plan will have 3 on-going lanes for current and new teachers, BS, MA, and EDS/EDD/Other Doctorates.</p> <p>Our teachers in current lanes for M+30, EDS, and EDD will be grandfathered.</p> <p>Current staff already in degree programs for an EDS, EDD, Other Doctorate will have until August 2016 to complete that</p>	<p>The compensation for current teachers, who are not in one of the 3 grandfathered lanes, will be based on our salary schedule with 3 lanes. Compensation for new teachers will be based on our 3 lane schedule.</p> <p>For our 3 grandfathered lanes, the local supplement dollar figures shown on our 2013/14 salary schedule will be frozen. However, the steps won't be frozen, just the dollars. For example, for the 2013/14 school year</p>	<p>All of our teachers would be on the salary schedule.</p>	<p>Savings from freezing the local supplement for grandfathered lanes - \$40,000</p> <p>First year savings from no new M+30 and some new employees hired into new EDS/EDD lane - \$25,000.</p> <p>The savings from consolidating and grandfathering</p>	<p>-0.03% of certified salary expenditures</p>

	degree.	teacher with an EDD and 12 years of experience received a \$942 step raise. If there were to be a 1.5% local raise for the 2014/15 school year, another teacher with an EDD going to the 12 <sup>th</sup> step would still receive \$942.		lanes for education will grow from year to year.	
<b>Experience</b>	The experience pay in Rutherford County's salary schedule will maintain small step increases in years 2 through 5 and 7 through 10. We think these steps will help us compete with other districts for new teachers. The larger increases will be in years 6 and 11 as they are in the state's salary schedule. Rutherford County is compressing the existing steps after year 10 so that pay for this group will approach what it would have been for years 20 and 25. We also plan to keep step increases in the 16 <sup>th</sup> and 21 <sup>st</sup> years.	These experience raises will be additions to base pay.	Whenever teachers attain an effectiveness step with a related step, they will receive that raise.	The attached alternative pay salary schedules project an additional cost of \$1,300,000 for the 2014/15 school year.  We anticipate using increased BEP funds to pay for these raises.	0.9% of certified salary expenditures
<b>Other</b>					

## II. Salary Schedule (Required Section)

1. Please include below or attach a copy of the district's proposed 2014-15 salary schedule. ATTACHED

## III. Eligibility and Stakeholder Engagement (Optional Section)

1. Provide a list of eligibility rules (i.e., attendance requirements, retirement or transfer policies, etc.) for the differentiated pay plan elements or additional roles/responsibilities outlined in the plan.

The eligibility rules are included in section I for each of the elements in Rutherford County's plan.

2. Include a description of how the district engaged teachers or other stakeholders in the development of the differentiated pay plan.

Our Differentiated Pay committee was the group that attended Accelerated Compensation Planning Cohort Session - the director of schools, assistant superintendents of HR, Instruction and Finance, and Coordinator of Instructional Technology. The initial plan was presented to our Teacher Advisory Committee on October 24, 2013. We asked them to complete a survey after the session and then to get input from the teachers at their schools. Interestingly, the survey results from TAC did not differ by much from the survey results from the schools – Oct 25 through Nov. 15.

Final Survey Results (Scale, 1 Lowest – 5 Highest) :

i.	Additional pay for working in a high need school	2.98
ii.	Additional pay for teaching in a high needs certification area	2.99
iii.	Additional pay for performance based on a teacher's individual growth score	2.41
iv.	Additional pay for performance based on a teacher's effectiveness score	2.71
v.	Additional pay for extra duties and responsibilities assigned at the school level	3.34
vi.	Some level of degree and experience built into the plan	4.40

On Oct. 31 the Chairman of the Board came to our committee meeting so we could get his input before we started making our presentation to principals and teachers. We made our presentation to the principals on Nov. 18. Our first meeting for teachers was that same evening at Central Magnet School. On Nov. 25 we met with teachers at Stewart's Creek High School and on Dec. 3 we met with teachers at Siegel High School. Something over 60 teachers attended our open sessions. All teachers were notified of the meetings by email.

All-in-all the teachers responded rather favorably to our plan. We addressed the most common concern of the attendees and others who called when we changed the plan to allow current staff who are already enrolled in either an EDS, EDD, or Doctorate program to have until August 2016 to complete that degree.

#### **IV. Alternative Salary Schedule (Optional Section)**

An alternative salary schedule uses some other component, often performance criteria, in addition to or in place of education and experience to determine base pay and is subject to State Board of Education (SBE) approval. If you are unsure whether your plan qualifies as an alternative salary schedule or for additional resources for developing such a plan, contact Laura Encalade at [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov) for more information. Please review the [specific submission timeline](#) for alternative salary schedules on page 2.

Those districts proposing an alternative salary schedule as part of their differentiated pay plan, must complete this addendum to provide the department with the additional information needed to present the salary schedule to the SBE on behalf of the LEA. Those districts which already have SBE approved alternative salary schedules need only to submit a current copy of that plan.

##### **a. Salary Schedule**

Include both the proposed salary schedule and a description of the following:

- How will base pay changes be determined?

Annual increases to base pay will occur as teachers with TEAM Effectiveness scores of 3, 4, or 5 move up to the next effective experience level. Teachers with TEAM Effectiveness scores of 1 or 2 will not move up to the next effective experience level. All teachers will receive the cost of living increases that flow into our salary schedule. However the local supplement for our grandfathered degrees will not be affected by cost of living raises.

- Will existing employees have an opt-out provision for the alternative salary schedule? If so, when will all employees transition to the alternative salary schedule?

We are not offering an opt-out option at this time since our proposed alternative salary schedule primarily impacts teachers with TEAM Effectiveness scores of 1 or 2.

- How will the following groups be placed on the alternative salary schedule?:



- Existing district employees – Existing employees with TEAM Effectiveness scores of 3, 4, or 5 will advance one effective experience step for the 2014/15 school year as long as they had enough days during 2013/14 to advance a year. Employees with TEAM Effectiveness scores of 1 or 2 will remain at their 2013/14 effective experience level.
- Educators new to teaching with zero years of experience – New educators will begin 2014/15 with zero effective experience and be placed in the appropriate lane for a BA, MA, or EDS/EDD/Doctorate.
- Educators new to the district but with prior experience – Rutherford County will recognize the existing experience educators who transfer to our system. They will be placed in the appropriate lane for a BA, MA, or EDS/EDD/Doctorate.

#### **b. Eligibility Criteria**

If not already included in Section IV on the previous page, describe below or include in an attachment a copy of any eligibility rules for the alternative salary schedule.

The eligibility rules are defined in section IV.

#### **c. Feasibility Analysis**

Attach evidence using 2012-13 data (at a minimum) that the alternative salary schedule is financially feasible. Please reach out to [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov) for additional information or support in meeting this requirement.

#### **d. Stakeholder Engagement**

Include a description of how the district engaged teachers or other stakeholders in the development of the differentiated pay plan.

Stakeholder engagement is explained in optional section III.

### **Appendix A: Common Differentiated Pay Definitions**

1. Base pay (base salary): An individual's salary excluding any additional compensation in the form of bonuses, stipends, or supplements for additional work or responsibilities.

2. Bonus/stipend: Additional compensation for a pre-defined set of criteria. Bonus and stipend pay are awarded in addition to or “on top of” an individual’s base pay. Bonuses/stipends are one-time payments awarded for a specific role, additional responsibility, or achievement of particular criteria. Bonuses and stipends are not a part of base salary and do not become a reoccurring part of an individual’s compensation.
3. Traditional salary schedule (or step and lane schedule): A salary schedule that uses years of experience and education levels exclusively to determine educator’s increases in base pay. Traditional schedules may follow the same structure as the state minimum salary schedule. Salary schedules that modify the amount of the step increases given for experience or change the structure of the education lanes may still be considered a traditional schedule as long as they meet or exceed the relevant state minimums.
4. Alternative salary schedule<sup>1</sup>: A salary schedule that uses some other component, often a performance measure, in addition to or in place of education and experience to determine base pay. A schedule where an educator’s evaluation score is used to determine the amount of his or her yearly base pay increase is an example of an alternative salary schedule. Alternative salary schedules are subject to State Board of Education approval.
5. Opt-in/opt-out provision: Individuals are provided with the choice to participate in a program. This provision is most often associated with alternative salary schedules and is not a required provision.

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<sup>1</sup> If you are unsure as to whether your plan is a traditional salary schedule or an alternative salary schedule, please contact [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov).

## Appendix B: Sample Differentiated Pay Plan Table

Note that these examples are for purposes of explaining HOW TO complete each of the table criteria. These examples are NOT intended to be recommendations or endorsements for specific differentiated pay elements. Districts are required to differentiate pay for **at least one element** in addition to **education and experience**. Because plans may include a combination of several elements, please add rows or repeat differentiated elements as needed. Please feel free to delete from the table any differentiated elements that will not be used in the district's plan.

Differentiated Element	Description	Compensation Type and Size	Reach	Estimated Cost	Salary Expenditures
	<p><i>Describe how the district will differentiate for this element.</i></p> <p><i>Include the criteria for receiving the award.</i></p>	<p><i>Will the compensation be given as a bonus, stipend, or a base pay increase?</i></p> <p><i>How much will qualifying teachers receive?</i></p>	<p><i>Eligibility: How many teachers are eligible for this type of compensation?</i></p> <p><i>Forecasted participation: How many teachers do you estimate will receive the award?</i></p>	<p><i>How much does the district estimate it will payout for this differentiated pay element?</i></p>	<p><i>What percentage of salary expenditures (excluding benefit costs) does this element cover?</i></p>
<b>Hard-to-Staff (School, Subject, or Placement)</b>	The district will offer a signing bonus and retention bonus in the hard-to-staff area of secondary math. This will include positions in Algebra II, Pre-Calculus, and Calculus.	The award will be given as a two-part bonus. \$1,000 at the time of signing and an additional \$2,000 at end of the school year when evidence of satisfactory evaluation results are also available.	<p>This award will be available to new teachers to the district. The district typically hires 2 positions per school year in the areas defined.</p> <p>Existing teachers (3) in the subjects defined will also be eligible for the same bonus as a retention incentive.</p>	The estimated total for this is \$15,000 (5 teachers at \$3,000 each).	This award makes up less than 2% of the district's annual salary costs.
<b>Performance</b>	The district will incorporate a new salary schedule that uses evaluation criteria to determine base pay changes <sup>2</sup> . A full description of the new schedule is attached in the addendum.	Teachers who receive a 3 will receive a base pay increase of 3-\$300, 4-\$500, 5-\$700. Those teachers receiving a 1 or 2 will not increase their base pay.	<p>All teachers (150) are eligible to receive the award.</p> <p>A copy of the complete eligibility rules is attached.</p> <p>Based on the last two years of evaluation data, the district anticipates between 80-85% of</p>	<p>The district anticipates the total cost to be \$40,000 based on last year's evaluation data.</p> <p>The district will sustain this cost by removing base pay</p>	These payouts will form close to 100% percent of salary costs, with the exception of some career ladder and other supplements.

<sup>2</sup> This differentiated element would qualify as an alternative salary schedule, and the district would need to complete the [Alternative Salary Schedule section](#) on page 5.

			teachers will receive a base pay change.	increases for Level 1 and 2 teachers.	
<b>Additional Instructional Roles or Responsibilities</b>	<p>The district will further its implementation of PLCs through the creation of a PLC leadership role.</p> <p>Highly effective teachers (scores of 4 or 5) will receive a stipend to lead and facilitate the monthly PLC meetings.</p>	The award will be given yearly in the form of a \$1,000 stipend.	<p>Any teacher who receives a 4 or 5 on their evaluation would be eligible to apply for the position. District and school leaders will then screen for additional qualities like leadership and facilitation skills. (Draft job description is attached.)</p> <p>There will be a total of 20 PLC leaders in the district:</p> <ul style="list-style-type: none"> <li>- 6 at the high school,</li> <li>- 4 at the middle school,</li> <li>- 5 at each of the 2 elementary schools.</li> </ul>	The estimated cost of these awards is \$20,000.	This will compromise about 2% of district salary expenditures.
<b>Education</b>	<p>The district will include Bachelor's and Master's degrees for eligible base pay compensation as shown in the attached 2014-15 salary schedule. Degrees above a Master's will no longer be compensated in base pay.</p> <p>Advanced degrees above Master's degree will be eligible for tuition reimbursement with district pre-approval.</p>	<p>Master's degrees will be awarded with a base pay increase.</p> <p>Tuition reimbursement stipends of \$4,000 per year per individual for advanced degrees above Master's. The district must be notified in advance of the start of a program by the educator in order to receive the stipend.</p> <p>Those teachers currently enrolled in programs prior to July 1, 2014 will be eligible for base pay increases on the previous year's schedule, provided that those programs are completed by July 1, 2016.</p>	<p>The district currently has 15% of its teachers with an advanced degree above the Master's Level.</p> <p>We anticipate based on previous data that approximately 10-12 teachers will qualify for tuition reimbursement stipends each year.</p>	<p>This estimated total cost of this element is \$40,000-48,000 per year.</p> <p>The district expects to fund this cost by limiting permanent base pay increases to Master's degrees only.</p>	This will comprise about 8% of district salary expenditures.
<b>Experience</b>	The district will continue to award step increases for each	Each teacher will earn a yearly step increase for years of	All teachers are eligible.	The average step increase in the	This experience payment makes up

	year of experience.  The attached salary schedule contains proposed amounts.	experience.		district is \$400 per year. The estimated cost is \$100,000	20% of the districts expenditures on salary.
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